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## PART IV-A

Rules and Orders (Other than those published in Parts I, I-A, and I-L) made  
by the Government of Gujarat under the Central Acts

### FINANCE DEPARTMENT

#### NOTIFICATION

Sachivalaya, Gandhinagar, 10<sup>th</sup> March, 2023

#### BANNING OF UNREGULATED DEPOSIT SCHEMES ACT, 2019.

**No.GN-18-MIS-102019-O-355-N:-** Whereas the Banning of Unregulated Deposit Schemes Ordinance promulgated by the President of India and came into force on 21<sup>st</sup> February, 2019, which was later repealed by the Banning of Unregulated Deposit Schemes Act, 2019 (Central Act 21 of 2019) on the 31<sup>st</sup> July, 2019 and published in the Gazette of India, Extraordinary, Part II-Section 1 dated the 31<sup>st</sup> July, 2019 and exercising powers conferred by section 37 of the said Act the Ministry of Finance, Government of India has published the Banning of Unregulated Deposit Schemes Rules, 2020 vide notification in the Gazette of India, Extraordinary, Part II-Section 3, sub-section (ii) dated the 12<sup>th</sup> February, 2020;

In addition to the rules framed by the Central Government, the Government of Gujarat, in consultation with the central Government, in exercise of the powers conferred by sub-section (1) of section 38 and clause (f) of sub-section (2) of section 38 read with clause (f) of sub-section (4) of section 7 of the Banning of Unregulated Deposit Schemes Act, 2019 (21 of 2019), hereby makes the following rules, namely:-

**1. Short title and commencement.-** (1) These rules may be called the Gujarat Banning of Unregulated Deposit Schemes Rules, 2023.

(2) They shall come into force on the date of their publication in the *Official Gazette*.

**2. Definitions.-** (1) In these rules, unless the context otherwise requires,-

- (a) “Act” means the Banning of Unregulated Deposit Schemes Act, 2019 (21 of 2019);
- (b) “central rules” means the Banning of Unregulated Deposit Schemes Rules, 2020;
- (c) “FORM” means a form appended to these rules; and
- (d) “Government” means the Government of Gujarat.

- (2) The words and expressions used herein and not defined but defined in the Act and the central rules shall have the meanings respectively assigned to them in the Act and the central rules.

**3. Collecting the details of property.-** Where the Competent Authority or an officer appointed under sub-section (2) of section 7 of the Act in this regard is satisfied that the facts of the case necessitate identification of the properties or assets acquired either in the name of the deposit taker or in the name of any other person on behalf of the deposit taker or the properties or assets having interest of deposit taker, he may.-

- (a) direct police authority to investigate or inquire in respect of any person, place, property documents, books of accounts etc. for the purpose of tracking and identifying the properties; or
- (b) procure such details from any other authority as deemed fit or from public through an advertisement seeking the details of properties or assets.

**4. Provisional attachment of deposits and property.-**

- (1) Where the Competent Authority or an officer appointed under sub-section (2) of section 7 of the Act in this regard, after considering information and particulars received under rule 3 of the central rules, and also information received under rule 3 of these rules has reason to believe that the deposit taker is soliciting deposits in contravention of section 3 of the Act, he may, after recording the reasons for such belief, pass the order in FORM-A for provisional attachment of deposits held by the deposit taker and the money or any other property acquired either in the name of the deposit taker or in the name of any other person on behalf of the deposit taker.
- (2) The order passed under sub-rule (1) may, to the extent possible, contain the following:
- (i) details of deposit taker soliciting deposits in contravention of section 3;
  - (ii) Details of any other person in whose name the property is acquired on behalf of deposit taker;
  - (iii) information and particulars as prescribed in rule 3 of the central rules as well as under rule 3 of these rules which have been considered for provisional attachment of the property;
  - (iv) details of investigation or inquiry conducted under section 7 of the Act;
  - (v) details of statement received from any person to state the truth;
  - (vi) details of evidences or records or documents collected showing that the deposit taker is soliciting deposits in contravention of section 3 of the Act;
  - (vii) reasons for attaching such properties;
  - (viii) date of attachment;
- (3) A copy of the order of attachment passed under sub-rule (1) shall be sent to the concerned Revenue Authority or Transport Authority or any such Authority including Bank to place encumbrance on the said movable or immovable property and a copy of such order shall also be sent to the owner of the property, or any person who claims to be in possession of the property or any other person who has an interest in the said property.
- (4) The officers appointed under sub-section (2) of section 7 of the Act, may seek assistance of Police, other officials of the Government, Central Government, financial institutions, the person for the purpose of taking possession of the property so attached.
- (5) Provisional attachment of deposits or property under sub-rule (1) shall not be removed except in accordance with the order of the Designated Court under sub-section (3) or sub-section (5) of section 15.
- (6) Notwithstanding anything contained in sub-rule (4), in respect of the property of perishable nature, the Competent Authority may sell such property and the amount realized thereby shall be utilized in the manner as provided in sub-section (5) of section 13, of the Act.

**5. Seizure of property.-** Where the Competent Authority or the officer appointed under sub-section (2) of section 7 of the Act in this regard is satisfied or has reason to believe that any property which is liable to be attached under the Act is likely to be concealed, transferred or dealt in any manner which shall result in defeating the purpose of the Act, he may direct the police officer to seize such property or where it is not practicable to seize such property make an order to freeze such property and it shall not be transferred or otherwise disposed of or dealt with.

- 6. Proceedings against absconding persons.-** Where the Competent Authority or the officer appointed under sub-section (2) of section 7 of the Act is satisfied or has reasons to believe that a person in respect of whom action is contemplated under the Act has absconded or is concealing himself, he may direct the police officer for further course of action as per clause (d) of sub-section (1) of section 31.
- 7. Taking assistance from an expert.-** The Competent Authority or an officer appointed under sub-section (2) of section 7 of the Act in this regard may, having regard to the nature and complexity of the case and the interest of depositors, take assistance of the Department of Prosecution, legal practitioners or chartered accountants or of any expert whose services are necessary at any stage of inquiry, investigation or any other proceedings for possession and realization of the assets.
- 8. Valuation reports to be obtained while releasing properties attached.-** The Designated Court, while according permission to deposit the fair value of the property in lieu of the attachment under sub-section (1) of section 17 of the Act shall obtain valuation reports from such valuers as appointed by the Government by an order in this regard.
- 9. Power to issue instructions or directions.-** The Competent Authority may, if it considers necessary or expedient so to do for the purpose of uniformity in the implementation of the Act, issue such orders, instructions or directions to the officers appointed under sub-section (2) of section 7 of the Act as it may deem fit.

### FORM A

[See rule 4 (1)]

Reference No.:

Date:

To

----- Name

(Bank / Post Office / Financial Institution / Immovable property registering authority / any other authority)

----- Address

**Details of deposit taker or the person in whose name the property is acquired on behalf of deposit taker (mention only that detail which is relevant):**

It is to inform that M/s ----- (name) (hereinafter referred to as “the said person”) having place at ----- (address) having ----- PAN issued under the Income tax Act bearing ----- registration number under ----- Act is the deposit taker / the person in whose name the property is acquired on behalf of deposit taker under the Banning of Unregulated Deposit Schemes Act, 2019 (hereinafter referred to as “the said Act”).

**or**

It is to inform that Sh. .... (name) resident of ..... (address) having PAN ..... and/or Aadhaar No. .... is the deposit taker / the person in whose name the property is acquired on behalf of deposit taker under the Banning of Unregulated Deposit Schemes Act, 2019 (hereinafter referred to as “the said Act”).

Whereas proceedings have been initiated against the aforesaid person under section 7 of the Banning of Unregulated Deposit Schemes Act, 2019 for provisionally attach the deposits held by the deposit taker and the money or any other property acquired in the name of ..... (the deposit taker) **or** in the name of ..... (in whose name the property is acquired on behalf of deposit taker) (Mention only that detail which is relevant) considering the following information and particulars as prescribed in rule 3 of the Banning of Unregulated Deposit

Schemes Rules, 2020 read with sub-rule (2) of rule 4 of the Gujarat Banning of Unregulated Deposit Schemes Rules, 2023, namely:-

.....  
 .....  
 .....

AND as per available information, it has come to my notice that the said person has a –

<>account in your << bank/post office/financial institution>> having account no. << A/c no. >>;

**Or**

property located at << property ID and location>>.

**Or**

Vehicle No. .... <>

**Or**

Cash money << Amount >>;

**Or**

Others (please specify) ..... <>

**Provisional attachment of property under section 7 (3) of  
 the Banning of Unregulated Deposit Schemes Act, 2019**

In order to protect the interests of depositors and in exercise of the powers conferred under sub-section (3) of section 7 of the Banning of Unregulated Deposit Schemes Act, 2019, I ----- (name), ----- (designation), hereby provisionally attach the aforesaid account / property / cash money.

No debit shall be allowed to be made from the said account or any other account operated by the aforesaid person on the same PAN without the prior permission of undersigned.

**or**

The property / money mentioned above shall not be allowed to be disposed of or altered or alienated, without the prior permission of undersigned.

Signature

Name

Designation

**Copy to –**

.....

(The owner of the property, or any person who claims to be in possession of the property or any other person who has an interest in the said property).

By order and in the name of the Governor of Gujarat,

**GITA GOTHIL,**

Under Secretary to Government.

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